

## Message Text

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ACTION IO-13

INFO OCT-01 ARA-06 ISO-00 OIC-02 CIAE-00 DODE-00 PM-04

H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 DHA-02 AID-05 COME-00 EB-07

FRB-03 TRSE-00 XMB-02 OPIC-03 LAB-04 EPG-02

SIL-01 OMB-01 EUR-12 /109 W

-----070727Z 066638 /11

R 061418Z MAY 77

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 5890

INFO USMISSION USUN NY

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E.O. 11652: N/A

TAGS: ECLA, ECON, GT

SUBJ: ECLA: 17TH SESSION: PROCEEDINGS OF MAY 4, 1977

SUMMARY: SPEECHES BY BRAZIL, FRANCE, BOLIVIA, PERU, GRENADA, FEDERAL REPUBLIC OF GERMANY, CHILE AND A NUMBER OF INTERNATIONAL ORGANIZATIONS TODAY PRODUCED FEW FIREWORKS OTHER THAN A STRONG DEFENSE BY MINISTER DOLLARD OF GRENADA'S CHOICE AS SITE FOR ORGANIZATION OF AMERICAN STATES GENERAL ASSEMBLY NEXT MONTH. MAJOR ADDRESS BY DR. RAUL PREBISCH BEING REPORTED SEPTEL. END SUMMARY.

1. BRAZILIAN DEL DELIVERED A FAIRLY TOUGH STATEMENT FOCUSING ON EXTERNAL OBSTACLES TO DEVELOPMENT AND LACK OF COOPERATION FROM DC'S IN REMOVING THEM. HE ACKNOWLEDGED THAT GROWTH AND DEVELOPMENT ARE NOT EQUIVALENT BUT I PLICITLY TOOK ISSUE WITH THE EMPHASIS DURING THE SESSION GIVEN TO SOCIAL PROGRESS, E.G., INCOME REDISTRIBUTION, RATHER THAN ECONOMIC PROGRESS. HE NOTED THAT AN LDC MIGHT THEORETICALLY ACHIEVE COMPLETE UNIFORMITY OF INCOME DISTRIBUTION TO THE BENEFIT OF THE POOREST PEOPLE, BUT WITHOUT GROWTH THAT COUNTRY WOULD STILL  
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BE FAR FROM DEVELOPED STATUS WHICH HE CLAIMED IS A RELATIVE STANDARD ESTABLISHED BY LIVING CONDITIONS IN THE INDUSTRIALIZED NATIONS. HE GAVE MAJOR ATTENTION TO EXTERNAL FACTORS, REPEATING A GUATEMALAN CALL FOR "HUMAN RIGHTS FOR COUNTRIES" AND NOTED THAT INCOME DISTRIBUTION INEQUITIES ARE MUCH GREATER BETWEEN THAN WITHIN NATIONS. HE CRITICIZED DEVELOPED COUNTRIES FOR NOT SUPPORTING THE INTERNATIONAL DEVELOPMENT

STRATEGY AND FOR THE LACK OF PROGRESS IN THE VARIOUS INTERNATIONAL ECONOMIC NEGOTIATIONS.

2. THE FRENCH DEL PRAISED THE WORK OF THE SECRETARIAT AND THE FRANKNESS OF THE LATIN GOVERNMENTS IN THE PAPERS PREPARED FOR THIS ECLA SESSION. HE NOTED THE PROGRESS THAT HAS BEEN MADE IN THE NORTH/SOUTH DIALOGUE IN THE LAST FOUR YEARS AND DETAILED FRENCH SUPPORT FOR DEVELOPMENT EFFORTS OF LDC'S, INCLUDING FRENCH POSITIONS IN CERTAIN INTERNATIONAL ECONOMIC NEGOTIATIONS.

3. THE BOLIVIAN STATEMENT WAS PRIMARILY A STATISTICAL REVIEW OF ACCOMPLISHMENTS UNDER THE MOST RECENTLY COMPLETED FIVE-YEAR PLAN WHICH IT NOTED WERE FACILITATED BY POLITICAL AND SOCIAL STABILITY AND PARTICIPATION IN THE DEVELOPMENT PROCESS BY ALL SEGMENTS OF SOCIETY. STATEMENT PLACED EMPHASIS ON REGIONAL INTEGRATION AS FUTURE SOURCE OF DEVELOPMENT IMPETUS.

4. PERUVIAN DEL DELIVERED A LENGTHY STATEMENT EMPHASIZING IMPORTANCE OF EXTERNAL OBSTACLES TO DEVELOPMENT WITH REFERENCE TO THE UNJUST RELATIONSHIP BETWEEN DC'S AND LDC'S AND CALLS FOR THE NEW INTERNATIONAL ECONOMIC ORDER. HE DESCRIBED GOVERNMENT PLANNING AS AN INDISPENSABLE PART OF THE DEVELOPMENT PROCESS AND DESCRIBED HIS GOVERNMENT'S POLICIES WITH RESPECT TO SEVERAL DEVELOPMENT OBJECTIVES. HE CONCLUDED STATEMENT WITH VERY STRONG SUPPORT FOR REGIONAL INTEGRATION AS THE ONLY CHANNEL WHICH CAN OPEN ECONOMIC HORIZONS FOR INDIVIDUAL COUNTRIES.

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5. GRENADIAN DEL EXPRESSED STRONG SUPPORT FOR IDEAS CONTAINED IN AMBASSADOR YOUNG'S STATEMENT OF MAY 3 AND GREAT PERSONAL ADMIRATION FOR HIM. HE INDICATED UNHAPPINESS WITH LACK OF ATTENTION TO ISLAND ECONOMIES AND GAVE HIGH PRIORITY TO REGIONAL COOPERATION. HE THEN TOOK HEATED ISSUE AT SOME LENGTH WITH PRESS REPORTS THAT GRENADA IS NOT CAPABLE OF HOSTING NEXT MONTH'S OAS GA. HE NOTED THAT WHILE SOME WORK FOR REGIONAL AND SUBREGIONAL INTEGRATION THERE ARE ALWAYS SOME UNPROGRESSIVE THINKERS WHO TRY TO UNDERMINE SUCH EFFORTS AND THIS IS A CASE IN POINT.

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6. GERMAN DEL DETAILED FRG INTERESTS IN AND SUPPORT FOR DEVELOPMENT OF LATIN AMERICA. HE NOTED ACTIVE FRG PARTICIPATION IN NORTH/SOUTH DIALOGUE AND CALLED FOR MORE DEVELOPMENT PROJECTS TO BE BASED ON MATCHING PARTICIPATION OF BOTH DONOR AND RECIPIENT GOVERNMENTS. DEL THEN EXPRESSED STRONG FRG COMMITMENT TO PERSONAL FREEDOM AS UNDERLYING ITS APPROACH TO N/S DISCUSSIONS. HE NOTED (IN STATEMENT THAT WAS SHARPLY CRITICIZED BY A NUMBER OF LATIN AMERICANS) THAT ON BASIS OF FRG'S OWN EXPERIENCE IN 1930'S THEY DO NOT BELIEVE IN ECONOMIC DECISION-MAKING BY A COSTLY BUREAUCRACY ON THE BASIS OF THEORETICAL CONCEPTS BUT ARE CONVINCED THAT THE CREATIVE EFFORTS OF A FREE PEOPLE ARE THE ONLY SOURCE OF WEALTH AND PROSPERITY.

7. THE COSTA RICAN DEL MADE A BRIEF SPEECH IN PRAISE OF THE ECONOMIC INTEGRATION EFFORTS OF THE CENTRAL AMERICAN COUNTRIES AND IN SUPPORT OF INTERNATIONAL COMMODITY ARRANGEMENTS. IN A LONG AND RATHER PASSIONATE SPEECH, THE CHILEAN DEL ATTEMPTED TO SHOW THAT HIS COUNTRY, DRAWING ON AN ECONOMIC MODEL STRESSING PRIVATE INITIATIVE, WAS ACHIEVING THE SOCIAL DEVELOPMENT OBJECTIVES BEING EMPHASIZED  
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AT THIS MEETING, DESPITE VERY UNFAVORABLE EXTERNAL AND INTERNAL ECONOMIC CIRCUMSTANCES.

8. THE CANADIAN DEL NOTED THAT HIS COUNTRY WAS HAVING TO BE MORE SELECTIVE IN DISTRIBUTING ITS AID RESOURCES IN THE FACE OF PROLIFERATING DEMANDS. CANADA, HE EMPHASIZED,

WOULD GIVE PRIORITY TO PROGRAMS TO WHICH THE AID RECIPIENTS HAD A GENUINE COMMITMENT. MORE OF CANADA'S ASSISTANCE WILL BE CONCENTRATED IN THE LEAST DEVELOPED COUNTRIES AND IN AGRICULTURE, ENERGY, HEALTH, HOUSING, AND TRANSPORT, SECTORS IN WHICH CANADA, HE SAID, HAS MUCH TECHNICAL EXPERTISE TO OFFER.

9. SELA SEC GEN MONCAYO REVIEWED SELA ACTIVITIES SINCE ITS FOUNDING AND SOUNDED A CALL FOR GREATER LA UNITY AS THE MEANS FOR ACHIEVING COMMON INTRA-AND EXTRA-REGIONAL ECONOMIC OBJECTIVES. IN AN OTHERWISE UNREMARKABLE SPEECH, THE ECUADOREAN DEL NOTED THAT THE GREAT POWERS WERE NOW EXTENDING THEIR TERRITORIAL WATER CLAIMS TO 200 MILES, AFTER HAVING STRONGLY OPPOSED THE SAME CLAIM MADE BY HIS COUNTRY SINCE 1952.

10. THE COLOMBIAN DEL REFLECTED ON THE INABILITY OF THE CLASSICAL FISCAL SYSTEM IN HIS COUNTRY TO GENERATE THE REVENUES NEEDED FOR SOCIAL DEVELOPMENT. HE RECOMMENDED THAT ECLA INVESTIGATE WAYS TO ACHIEVE SOCIAL OBJECTIVES CONSISTENT WITH THE DEVELOPING COUNTRY'S ECONOMIC GOALS. THE SURINAM DEL, IN A RATHER MOROSE VEIN, CHARGED FOOT-DRAWING ON THE PART OF THE DC'S ON THE COMMON FUND, DESPITE THE MODERATE POSITION OF THE G-77' AND IN THE CIEC. TIME IS RUNNING OUT AND CATASTROPHE, HE WARNED, WILL RESULT IF NORTH/SOUTH NEGOTIATIONS BREAK DOWN. BOSTER

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## Message Attributes

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